

Presentation to the Legislature on Alabama's Financial Condition



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Legislative Fiscal Office

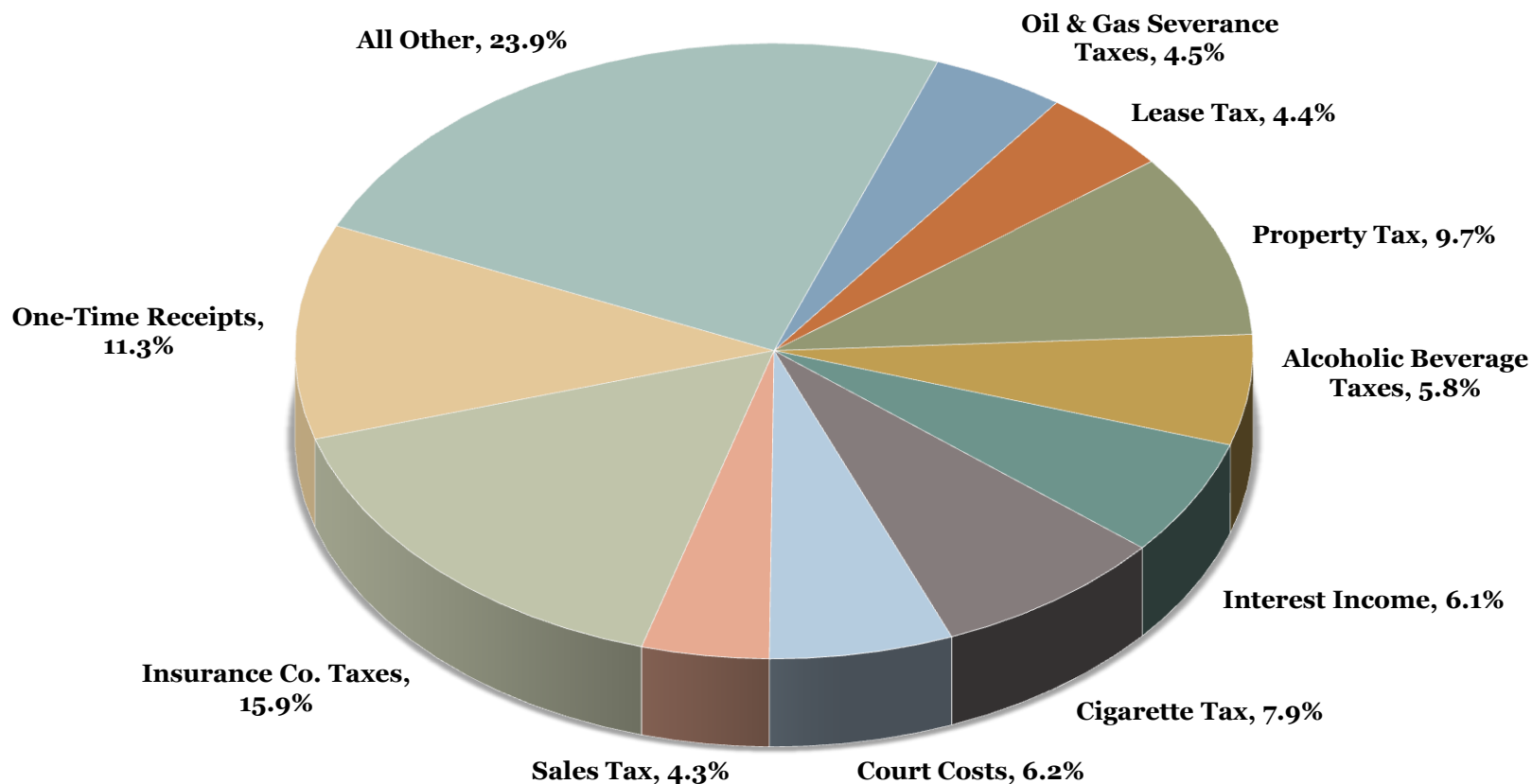
February 8, 2011

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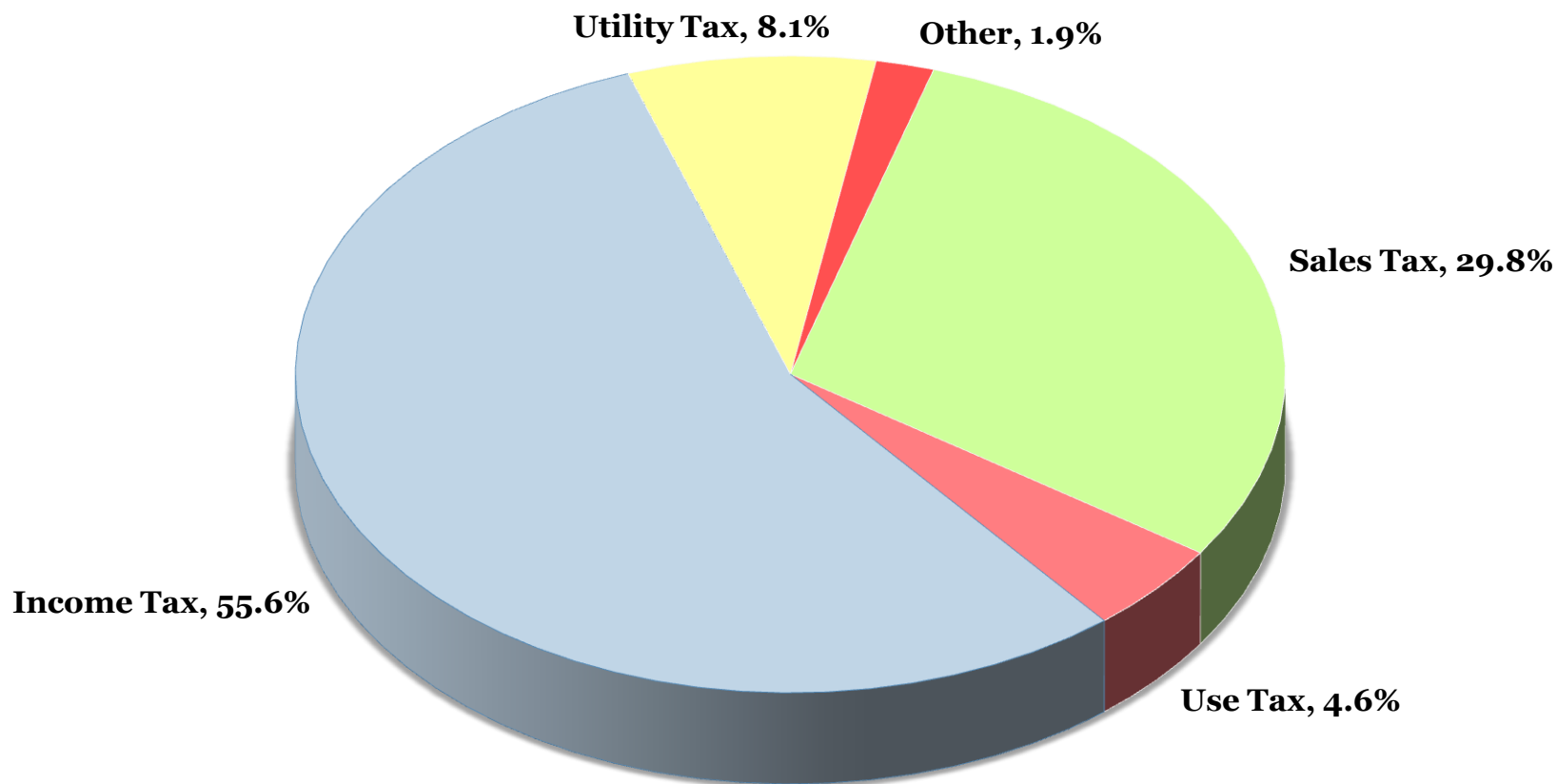
(334) 242-7950

(1) Includes taxes, fees and charges collected by state agencies, Children First Trust Fund and tobacco settlement fund appropriations as well as reversions reappropriated and Medicaid carryover; does not include bond proceeds, interagency transfers or federal funds.						
(2) Totals may not add due to rounding.						

Sources of Revenue to the State General Fund FY 2010

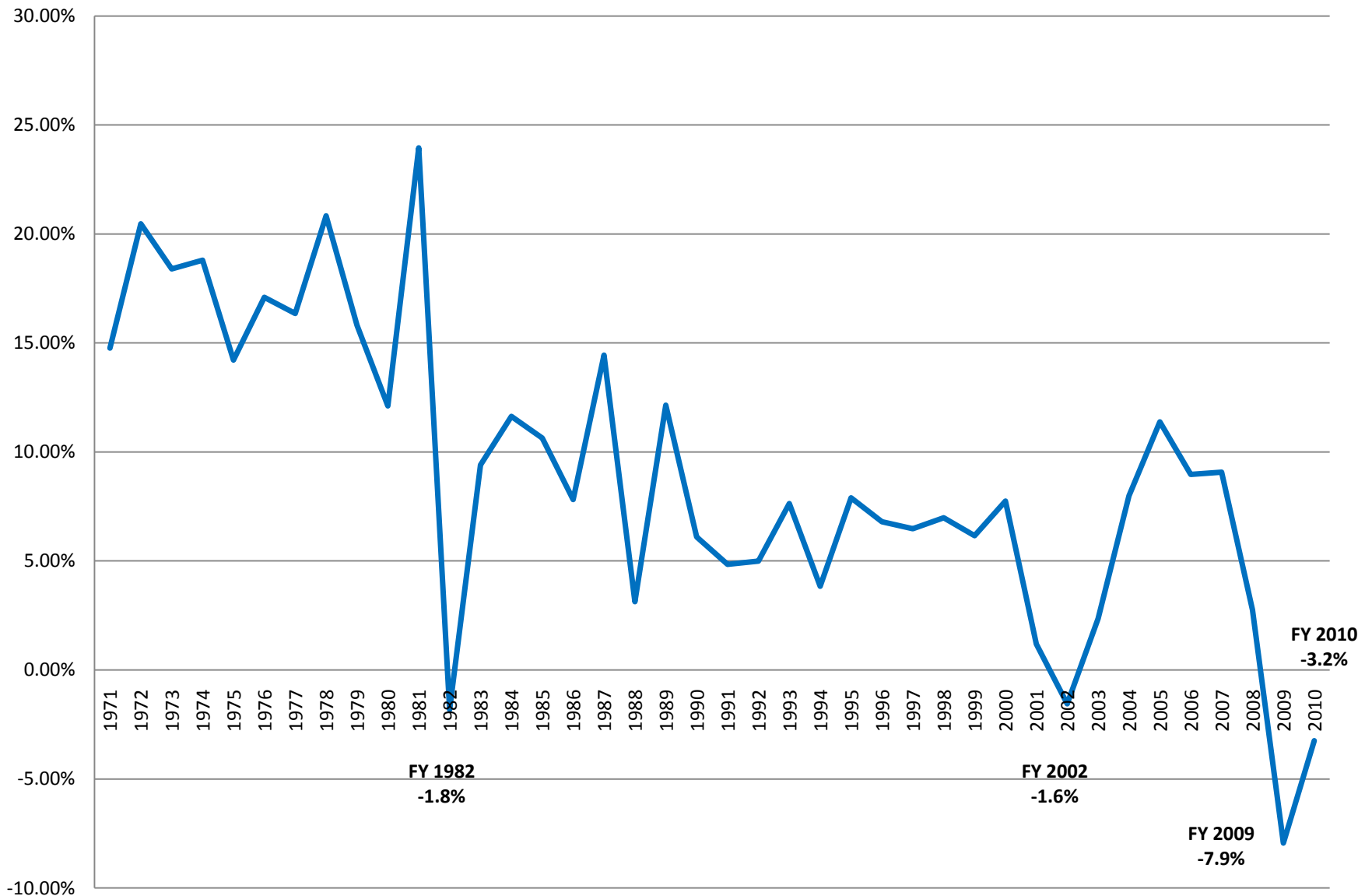


Sources of Revenue to the Education Trust Fund FY 2010



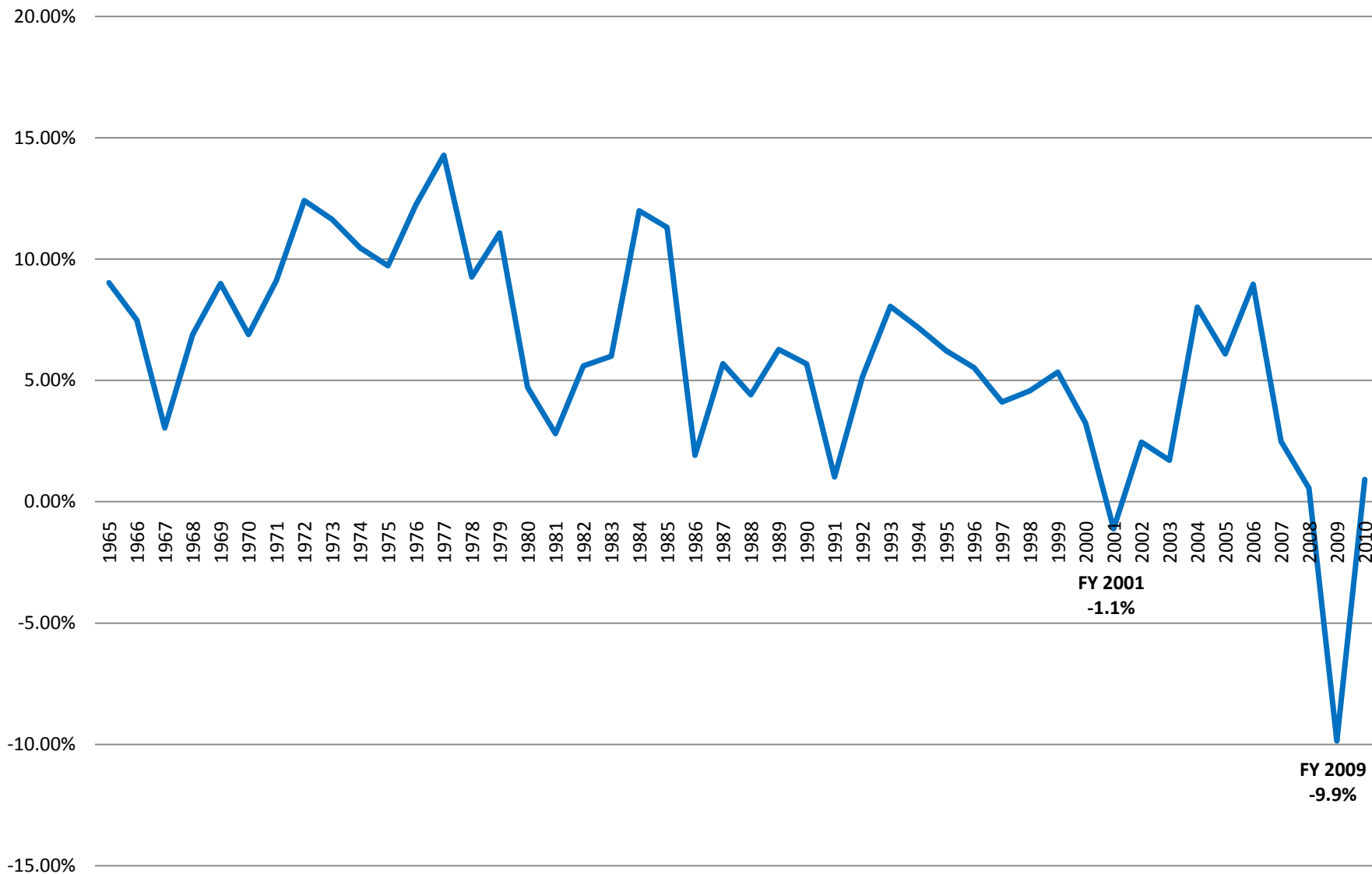
Income Tax Gross Receipts Annual Percentage Change Over Prior Year

Exhibit 4



Sales Tax Gross Receipts

Annual Percentage Change Over Prior Year



Condition of the Education Trust Fund

Fiscal Years 2008, 2009, and 2010

	FY 2008	FY 2009	FY 2010
TOTAL BEGINNING BALANCE	280,045,027		
Receipts	5,975,258,156	5,241,600,057	5,217,470,126
Transfer from Rainy Day Account/Proration Prevention Account	439,372,515	437,520,418	
TOTAL RECEIPTS	6,414,630,671	5,679,120,475	5,217,470,126
TOTAL AVAILABLE (beginning balance plus total receipts)	6,694,675,698	5,679,120,475	5,217,470,126
TOTAL EXPENDITURES AFTER REVERSIONS	6,694,675,698	5,679,120,475	5,205,697,025
ENDING BALANCE			11,773,101

Condition of the Education Trust Fund

Fiscal Years 2011 and 2012

(LFO Estimates)

	FY 2011	FY 2012
BEGINNING BALANCE	11,773,101	
LFO estimated regular revenues	5,297,597,313	5,484,000,000
DHR Food Stamp Reversion	18,600,000	
Estimated receipts from Kimberly Clark tax settlement	34,000,000	
Repayment from PSCA bond issue	32,302,687	
TOTAL ESTIMATED RECEIPTS	5,382,500,000	5,484,000,000
TOTAL FUNDS AVAILABLE	5,394,273,101	5,484,000,000
TOTAL APPROPRIATIONS AND OBLIGATIONS (as of December 31, 2010)	5,520,361,048	
ENDING BALANCE (Before reversions and other adjustments)	-126,087,947	

ARRA Funding in ETF: FY 2010 and FY 2011

Type	FY 2010	FY 2011	Total
State Fiscal Stabilization Funds	\$298.1M	\$298.1M	\$596.2M
Title I/IDEA Funds	\$203.6M	\$ 203.6M	\$407.2M
Total	\$501.7M	\$ 501.7M	\$1.0B

Education Jobs Funds In Alabama

- **Alabama received \$149.5 million from EJP**
 - Local Educational Agencies (LEAs) must use funds by September 30, 2012
 - Funding must be used only for “compensation and benefits and other expenses” necessary to retain existing employees, to recall or rehire former employees, and to hire new employees
 - Systems will receive \$3,079 per state-funded teacher unit, based on FY 2011 units

Education Trust Fund

FY 2012 Shortfall

LFO Estimates	\$36.4 million
Loss of ARRA Funds	501.7 million
Loss of Education Jobs Fund	149.5 million
Total Shortfall	\$687.6 million

Condition of State General Fund Fiscal Years 2008, 2009, and 2010

	FY 2008	FY 2009	FY 2010
BEGINNING BALANCE (excluding Medicaid carryover in FY 2010)	239,088,035	218,986,877	105,430,816
TOTAL RECEIPTS ^{1,2,3}	1,814,312,603	1,602,571,656	1,428,088,535
TOTAL AVAILABLE (beginning balance plus total receipts)	2,053,400,638	1,821,558,533	1,533,519,351
TOTAL EXPENDITURES AFTER REVERSIONS	1,834,413,761	1,716,127,717	1,473,417,645
TOTAL ENDING BALANCE	218,986,877	105,430,816	60,101,706
1) FY 2008 receipts include one-time receipts of \$117,267,060 in capital gains from the Alabama Trust Fund; \$85,750,235 from the settlement of the Exxon lawsuit; \$17,023,881 from Department of Corrections asset sales; \$19,000,000 transferred from the Business Privilege Tax Escrow Fund; \$15,000,000 in additional unclaimed property receipts; \$4,746,080 from pharmaceutical settlement; and \$12,237,060 transferred from tobacco settlement revenues.			
2) FY 2009 receipts include one-time receipts of \$38,800,000 transferred from the Incentives Financing Authority; \$108,000,000 transferred from the Business Privilege Tax Escrow Fund; \$52,034,871 from pharmaceutical settlements; \$437,500 from a court order for the 5th Circuit DA; and \$14,025,410 transferred from tobacco settlement revenues.			
3) FY 2010 receipts include \$161,565,874 transferred from Rainy Day Account.			

Condition of State General Fund

Fiscal Years 2011 and 2012

(LFO Estimates)

	FY 2011	FY 2012
BEGINNING BALANCE (excluding Medicaid carryover)	60,101,706	
Regular Receipts	1,274,960,000	1,288,740,000
Regular and Other Transfers	9,823,000	4,500,000
Transfer from tobacco revenues	12,800,000	
One-time revenues ^{1,2}	153,091,288	30,000,000
TOTAL RECEIPTS	1,450,674,288	1,323,240,000
TOTAL AVAILABLE (beginning balance plus total receipts)	1,510,775,994	1,323,240,000
Appropriations as of December 31, 2010	1,588,528,259	
Additions:		
Reappropriation of Reversions	54,045,537	
TOTAL APPROPRIATIONS AND OBLIGATIONS	1,642,573,796	
TOTAL ENDING BALANCE	-131,797,802	

1) FY 2011 includes \$56,091,288 expected from capital gains in the Alabama Trust Fund; \$10,000,000 transferred from the Insurance Guaranty Fund; \$72,000,000 from the Business Privilege Tax Escrow Fund; and \$15,000,000 in additional abandoned property receipts.

2) FY 2012 includes \$30,000,000 in additional abandoned property receipts.

Effect of Federal Stimulus Funds and State Fiscal Stabilization Funds on State General Fund Expenditures

	FY 2008	FY 2009	FY 2010	FY 2011	Projected FY 2012
Total State General Fund appropriations	1,834,413,761	1,716,127,717	1,473,417,645	1,642,573,796	1,323,240,000
Federal stimulus funds used to replace SGF dollars					
Medicaid FMAP		290,734,130	322,653,180	193,995,226	
Other agencies with Medicaid FMAP		63,349,618	72,219,688	40,865,822	
Corrections - Fiscal Stabilization Funds			118,586,000		
Departmental Emergency Fund - Fiscal Stabilization Funds			14,100,000		
Total federal stimulus funds used		354,083,748	527,558,868	234,861,048	
Total SGF plus federal stimulus	1,834,413,761	2,070,211,465	2,000,976,513	1,877,434,844	1,323,240,000
Appropriations for FY 2011 are as of December 31, 2010.					

State General Fund FY 2012 Shortfall

LFO Estimates	\$319.3 million
Loss of federal enhanced Medicaid	\$234.9 million
Total Shortfall	\$554.2 million

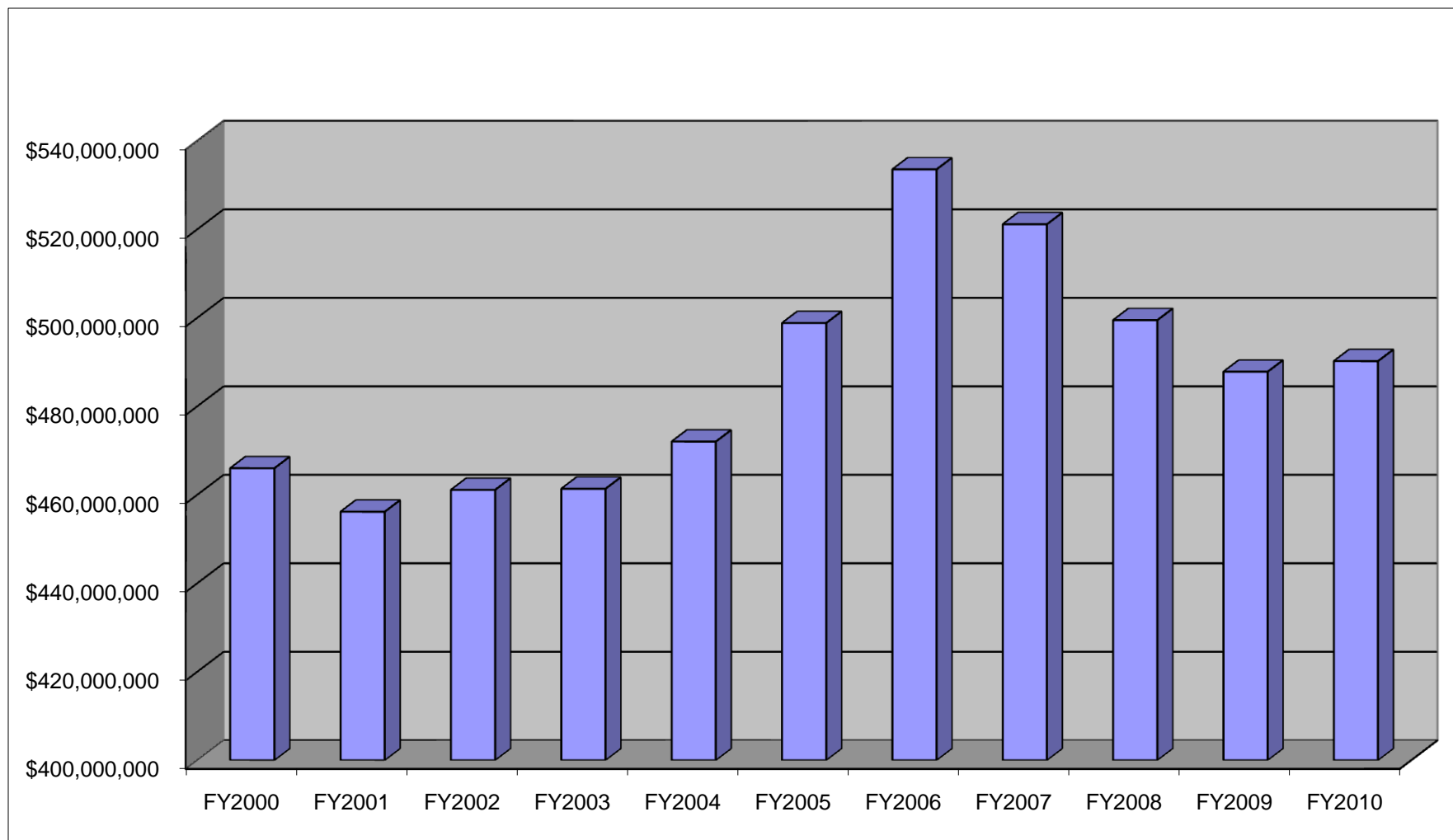
Alabama Capital Improvement Trust Fund

(Amounts in Millions)

	FY 2009	FY 2010	FY 2011
Beginning Balance	\$18.1	\$19.8	\$5.3
Royalty Revenues	96.7	49.3	34.4
Total Expenditures*	95.0	63.8	35.6
General Fund Relief	24.4	17.6	0
Ending Balance	\$19.8	\$5.3	\$4.1

***Includes General Fund Relief**

Public Road and Bridge Fund Receipts



FY 2011 Tobacco Settlement Appropriations

Children First Trust Fund (CFTF):	FY 2011
Public Health	\$5,541,480
Human Resources	11,082,960
Child Abuse and Neglect Prevention	3,004,489
State Multiple Needs Children's Fund	3,448,540
Mental Health/Mental Retardation	2,770,740
Juvenile Probation Services Fund	5,541,480
Youth Services	9,420,516
Alabama Medicaid	1,939,519
All Other	1,613,250
Total CFTF Appropriation	\$44,362,974

Other Tobacco Revenue:	FY 2011
Children's Affairs Administration	\$250,000
Alabama 21st Century Fund	13,000,000
Senior Services Trust Fund	1,583,280
Medicaid Trust Fund	33,248,880
Senior Services - Medicaid Waiver	2,374,920
Total Other Appropriation	\$50,457,080

State General Fund Transfer	\$10,718,511
Grand Total	\$105,538,565